[For information pertaining cooperative farms and collectivization, see 5; Free Europe Committee, El Europe, category 116, pp. 65, 68-71. -- Analyst]

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656 665 671 rise to the charge that the National Peasants really represented the richer peasants and the village bourgeoisie.[48]

A similar attitude appears in the other principal agrarian measures of the National Peasants; the law for the organization of cooperation, of March 28, 1929, and the law for the organization of rural mortgages and agricultural credit of July 29, 1929. These laws were acclaimed at the time as proof of the government's concern for the peasant, but they need not be considered in great detail here.[49] Laws for credit and cooperation are hardy perennials in Rumanian legislative history, but none of them appears to have accomplished much. These particular laws were quickly blighted by the onset of the depression.

●474 The law for the organization of cooperation abrogated the act passed by the Liberal government in July, 1928, which the National Peasants thought gave the state too much control over the cooperative movement. The new code was designed to broaden the legal frame "to offer the cooperatives the freedom of movement which every economic enterprise needs if it is to develop in the present economic world."[50] Notwithstanding this effort to assure greater autonomy and independence, a foreign observer concluded in 1930 that even the new regime had not abandoned the idea that the cooperatives were a government maid of all work.[51] The real difficulty, as has been mentioned before, was that the poor peasant, that is, the average Rumanian, had very little to offer in a cooperative movement. Until the level of the peasantry was raised above the margin of subsistence, the cooperative movement was bound to be a name rather than a reality and to be altogether dependent upon the state for financial support and direction.

452 The law for the organization of rural mortgages and agricultural credit was intended to improve the channels supplying credit to agriculture, which had been seriously undernourished during the Liberal

48. This charge is given some weight when one considers Madgearu's remark, made in 1930: "With farms of medium size, limited to 25 hectares, the agricultural credit granted will be used in a more economical way and will bear fruit in a degree hitherto unknown in our agrarian organization." *Rumania's New Economic Policy*, p. 11. In a country where 75 per cent of all agricultural holdings were under 5 hectares, and 92 per cent under 10 hectares, reference to farms of medium size could have only an extremely limited application.

49. Analyses of the law for the organization of cooperatives may be found in Mitrany, *The Land and the Peasant in Rumania*, pp. 409–411, and in F. E. Manoliou, *La Réconstruction économique et financière de la Roumanie et les partis politiques*, pp. 236–237, and of the law for the reorganization of agricultural credit in Manoliou, pp. 239–243.

50. From the exposé de motifs, cited in Mitrany, *op. cit.*, p. 409.

51. "Rumania: The State as Co-operator," *Yearbook of Agricultural Co-operation, 1930*, pp. 404–428.

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423 tasks. The first was to restrict the kulaks and dislodge them from
565 their position. Then it would be possible "when conditions are ripe,
661 to pass over to the policy of the complete liquidation of the kulaks." [36] He anticipated, of course, that the kulaks would resort to underground struggle, sabotage, and criminal acts in an effort to avert their approaching fate.

185 The second task was to undertake propaganda convincing the poor
241 and middle peasants of the need to unite in collective farms. When that task had been achieved, when all the land belonged to the collectives in perpetuity, the goal of making the land public property and bringing about the socialist transformation of the countryside would be reached. Gheorghiu-Dej emphasized, however, the necessity of making this transition gradually, by means of persuasion, and with the voluntary support of the peasant. The poor peasants should not be driven into collectives, the middle peasant should not be identified with the kulak, and the whole process must be paced by the development of agricultural machinery, machine tractor stations, and the expansion of the network of consumer and producer cooperatives as broad mass movements.[37] These words of caution presumably reflect the wisdom gained from the Soviet experiment in collectivization.

Gheorghiu-Dej concluded his remarks with the inevitable "self-criticism": in the past the party had not provided a clear political line for work in the countryside and had failed to popularize the notion of uniting the working peasantry into collective farms, and had even ignored or denied this goal.[38] That these so-called errors were the fault of the Rumanian Communists is, of course, nonsense. The party line, emanating from Moscow, had shifted, and in this instance a strong case can be made that the change had been planned long in advance. The Communists could have had no intention of stopping at the stage of small peasant cultivation which had, in any event, reached a cul-de-sac in Rumania.

● 474 The creation of collective farms got under way in 1949, and by the end of the year, according to the glowing account of a Russian visitor, 56 *kolkhozi* comprising 4,000 peasant families had been estab-

36. As in Russia representatives of the restricted and soon to be liquidated kulak class are not to be admitted to the collective farms.

37. The cooperatives, however, must rid themselves of capitalist elements, must intensify their collaboration with the state trading organs, and must promote the spirit of "socialist emulation" among the peasants.

38. G. Gheorghiu-Dej, "Tasks of the Rumanian Workers Party in the Struggle for the Socialist Reorganization of the Countryside," *For a Lasting Peace, for a People's Democracy* (Bucarest, March 15, 1949).

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lished; in addition, 55,000 households had joined producer cooperatives.[39] By the official account these collectives, which took on such spontaneously peasant names as the Red Tractor, the Red Field, the Victory of Socialism, and the New Way were organized through the voluntary action of the peasants. 474

Take, for example, the collective farm, "1907," set up in August, 1949, in the commune of Căldărăşti, Judeţ Buzău, as described by the enthusiastic reporter of the Communist paper, *România Liberă*.[40] Thirty-seven families had united their land, livestock, and equipment and had received the government's permission to establish a collective. The peasants brought with them 13 carts, 7 horses, 7 oxen, 6 ploughs, and 3 harrows. On the day of its inauguration the collective received from the state one tractor, 2 tractor-drawn ploughs, one threshing machine, one electric generator, 6 iron ploughs, one seeder, 74 hoes, and 107 pitchforks. It also received advice on an agricultural plan from the provisional judeţ committee. The collective possessed 151 hectares of land, of which 88 had previously belonged to the peasants, the remainder coming from the state. Six hectares were to be distributed among the peasant households for garden plots, most of the rest were to be devoted to a three-year rotation schedule of mixed crops. Such, in the prospectus at least, was the promising new life awaiting the multitude of poor peasants who would now leave behind them the undeniable poverty and squalor of their earlier small-holder existence.

It is too early to say what relation this promise is likely to bear to future reality in the Rumanian countryside. Public information from Rumania is so scanty and unreliable that one cannot ascertain how the peasants are reacting to this new departure. In principle, at least, collectivization is supposed to be wholly voluntary and there is to be no bullying of the middle peasants. But since the return to the peasant is to be based upon work performed rather than upon the amount of land he contributed, it is difficult to see what incentive the middle peasant will have for joining a collective unless its aggregate output is exceptionally high. There have been reports, moreover, of armed peasant resistance, especially in the Banat, a region of comparatively large and prosperous farms.

It is also too soon to tell what effect collectivization will have upon the level of agricultural output, peasant income, and the whole of the economy. As has been stressed throughout this study, something

39. I. Rukhadze, "Rumanian Village Yesterday and Today," *New Times*, No. 8 (1950), p. 27.

40. *Romănia Liberă*, August 11, 1949.

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474 unquestionably had to be done to pull Rumanian agriculture out of its ever-deepening rut; many of the criticisms raised by the Communists against the earlier order are largely valid. The attempt to create a prosperous small holder, specializing in intensive cultivation, made little headway between the wars. The richer peasant seems to have been gaining at the expense of the submerged mass of marginal producers, though he was not as wealthy nor nearly as responsible for the poor peasants' plight as Communist propaganda has made out. So long as cereals were to be the major crop, cultivation on a scale large enough to permit the amalgamation of strips and the use of mechanized equipment seemed to be called for. In brief, given the political impossibility and undesirability of returning to the old privately owned great estates and the failure of small-holding to prosper, some type of cooperative or collective agriculture would appear to be at least a partial answer to the agrarian problem.

Beyond this, however, one is inevitably faced with the Soviet example: the kolkhozi are now the inspiration of the Rumanian planners and probably provide the best clue, if one could interpret it, to the future of the Rumanian peasant. Here, of course, certain doubts present themselves. On the dark side of the picture stand the vast misery occasioned by the tempestuous collectivization of the first five-year plan, the widespread peasant resistance leading to the catastrophic destruction of livestock, the forcible uprooting not only of kulaks but of many smaller peasants, and the obvious fact that the step was taken not for the immediate benefit of the peasant but to increase and assure deliveries of grain for the towns and for export and to check any resurgence of capitalism in the countryside. It might be said that many of these hardships need not be repeated in the Rumanian case, that the transformation now can be more gradual and less jolting, and that increased grain deliveries would be more than matched by the greater efficiency of mechanized agriculture, by the removal of excess population to the rapidly industrializing towns, and ultimately by the vastly higher productivity of an industrial economy.

Unhappily, the evidence is by no means clear that such has been the result in the Soviet Union, at least to the present. The surplus which was obtained seems to have been at the direct expense of the peasant, since agricultural productivity did not increase to the degree anticipated (especially when the costs of the new agricultural machinery are deducted); peasant income ten years after collectivization was still lower than before. The task of sifting out what was exceptional and temporary in the Soviet experience and what was a

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natural concomitant and hence relevant for an estimate of the Rumanian future is exceptionally difficult; at the present state of our knowledge of Soviet agriculture it would be hazardous to base any Rumanian prediction upon it.[41]

In a curious way, however, this issue resembles the pre-1914 dispute in Rumania between the proponents of estate and peasant farming, and in certain respects the wheel has turned full circle. The collective farmer, with his own tiny personal plot, working on the great farm, delivering what amounts to payments in kind and performing a set number of work days, is obviously reminiscent of his grandfather under neoserfdom, with, of course, a different master and the promise contained in, if not yet realized by, the power of the tractor. Somehow, through all the changes the past century has witnessed, an apparently distinctive eastern European pattern is reasserting itself.

Both the nationalization of industry and the move toward collective agriculture are to be understood within the context of an over-all planned economy, not only for one nation but for all the eastern European satellite states. In the field of planning Rumania lagged a bit behind its neighbors, perhaps because of difficulty in creating an adequate and reliable administrative staff, but is now proceeding along the same path.

In general, after putting through a land reform and obtaining control of the industrial sector of the economy, all these states have inaugurated short-term plans of one or two years to restore their economies from the devastation wrought by the war and to pave the way for the next stage, long-term development programs. The primary aim of all the plans is, naturally, increased industrialization; agricultural development takes second place. In the view of a United Nations study, the plans "appear to aim at the development of more or less self-contained industrial economies in order to minimize their dependence on trade with the outside world. . . . The similarity in the investment pattern in the various countries suggests that the industrial plans were drawn up individually, on a national basis."[42] This presumed element of individuality is rather surprising in view

41. Favorable interpretations of the success of Soviet collectivization may be found in Alexander Baykov, *The Development of the Soviet Economic System* (New York, 1946), and Maurice H. Dobb, *Soviet Economic Development since 1917* (London and New York, 1948). A quite pessimistic view, based on an extensive criticism of Soviet statistics, is given in Naum Jasny, *The Socialized Agriculture of the USSR* (Stanford University Press, 1949).

42. United Nations, Department of Economic Affairs, *Economic Survey of Europe in 1948*, p. 202.

241 Dry farming is practised to some extent, but is capable of
312 development in the districts of semi-steppe.

CO-OPERATION.

476 ALTHOUGH it is not by any means reduced to a science, as in Belgium and Denmark, for example, co-operation is practised by the Roumanian peasant farmer to an important extent. In Transylvania and Bessarabia, the system has for long been well established, owing to the initiative and encouragement of village priests and schoolmasters. For example, there are community herds of water buffaloes, which tend
● 474 to prevent deterioration of the breed. The forest industry is in the main run by co-operative societies which control the felling, local distribution and marketing of timber.

IN 1931 there were 5,200 popular co-operative banks, with over 1,150,000 members; 236 forest co-operative societies, with about 341,600 members; 1,600 consumption and supply co-operative societies, with 236,000 members; besides a number of village buying and leasing associations.

241 MUCH has been done, and efforts are continuing by propaganda and instruction, to encourage more up-to-date methods among the peasant farmers and there are a number of schools for primary instruction in agricultural method. Modern farm machinery is loaned by the Ministry of Agriculture to peasants for small fees, stud farms have been established to improve the breed of horses and cattle, and funds have been loaned to the peasant communities for the purchase of stud animals.

INDUSTRY.

135 FROM the point of view of power and raw materials for the development of industry, Roumania is also well endowed by nature. True, her supply of coal is negligible, the only deposit worth mention being that of the brown coal basin of Jiul at Lupeni in Oltenia, which is capable of producing about two million tons per annum. (The output in 1933 was in the neighbourhood of 1.4 million metric tons.) It contains much sulphur but is used to some extent in iron smelting. On the other hand, there are very rich stores of mineral oil. The oil-bearing rocks occur in abundance along the outer rim of the Carpathians in lower Miocene deposits which are

241 peasant views with suspicion and often hostility all attempts at improvements in traditional methods. Even the co-operative societies have made less progress than in other Danubian countries. There is need for considerable capital expenditure in grouping small farms into larger units, in providing better buildings, more implements and fertilisers. There is need for diversification of production—more fodder crops and more animal husbandry. Above all, there is need for development in industry and commerce to provide work for the surplus agricultural population.

2. Natural Conditions and Regions

132 The climate is of the extreme Continental type, with long hot summers and severe winters. Precipitation is largely concentrated in winter and early summer. During the greater part of the growing and ripening season rains are light, and from time to time serious droughts occur which may ruin the grain crops.

133 311 The agricultural regions correspond to the natural divisions into plain and hill country—the Danube plain and Bessarabia which comprise the greater part of the territory and produce the bulk of the crops, and the hilly and mountainous land of Transylvania and the Bucovina.

The plain is well-suited for agriculture, the soil over much of it being of the fertile *chernozem* or black earth type, but the backward methods of farming and the light rainfall keep yields per acre low.

This region is not equally backward in all parts. The Rumanian Banat at the western end of the country, and formerly part of Hungary, is more prosperous and progressive. The population is not purely Rumanian but includes Swabians and Saxons, descendants of the German stock systematically settled there on medium-sized peasant holdings in the eighteenth century after the cession of the territory to Austria by the Turks. Methods and yields, by Rumanian standards, are good. The livestock density is higher than the average and the area produces a substantial surplus of pigs. Rural overcrowding is not as marked as elsewhere.

241 133 Conditions of life and methods of farming are considerably worse in the plain land of the Old Kingdom. Agriculture here is as primitive as in any part of Eastern Europe, depending on an unbroken alternation of wheat and maize cultivation with little subsidiary production. Some wheat is marketed, but the maize is grown largely for consumption on the farms. So little land is available per head of population that the farm population and working animals (which eat the maize stalks) can be fed only by devoting an excessive acreage to maize.

Bessarabia makes up the remainder of the plain land; conditions of settlement and farming methods are much the same as in the Old Kingdom, but the density of population is lower and there are substantial grain exports.

Given normal yields, every district of the plain area is at least self-sufficient in foodstuffs; indeed parts of it regularly produce large grain surpluses. Transitional areas between the Danube Valley and the Transylvanian plateau, such as the Carpatho-Moldavia and Carpatho-Muntenia areas, may,

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228 in private waters. Supplemented by some 4,000 tons of imported fish, this provided nearly 1 kg. (2·2 lb.) per head of population, but, in fact, almost all the fish was consumed by the 5 million persons living in towns. The principal fish caught were sturgeon, carp, pike, eels and crayfish, the main fishing centres being Brăila, Tulcea and Ismail.

6. Food Industries

256 The chief food and agricultural-processing industries are milling, sugar manufacture, oilseed crushing and tobacco curing. While the milling industry was dispersed widely about the country in more than 15,000 small mills employing altogether over 37,000 persons (at 1930 census), the sugar industry was for the most part concentrated in the plain of the Old Kingdom. Of the 17 sugar 257 factories employing 10,000 workers only one was in the Transylvanian districts lost to Hungary and five in the areas temporarily lost to the U.S.S.R. The vegetable-oil industry, located chiefly in 258 Bessarabia, was only partly carried on in factories of which there were (on January 1st, 1930) 117 employing 2,020 workers. Among these, 34 were fitted both to extract crude oil and to refine it, six were exclusively refineries, while the remainder produced only crude oil. The rest of the industry consisted of some 2,000 hand, or animal-driven presses mostly owned by individual peasants or by shopkeepers. These primitive presses extracted only a low percentage of oil from the seeds, and consequently the cake—mainly sold for export—had an unusually high oil content. As regards 277 tobacco, both curing and cigarette manufacture [656] were subject to government licence and control. There were 29 factories (in 1930) employing 9,720 workers, but tobacco cultivation subsequently declined, so also doubtless did the numbers employed.

7. Agricultural Organisation

452 The history of the organisation of Rumanian 241 farmers is one of not too successful co-operatives 474 becoming transformed more and more into agencies for the execution of Government Control Schemes. [654] For many years there had been throughout the country a network of agricultural credit societies, co-operative in form but in practice directed by the State. These played an important rôle during the period of the Land Reform in helping the peasants by advances to buy and equip their newly acquired holdings. There was even some co-operative cultivation for a time, until the new peasant-owners could muster sufficient draught animals and implements. Besides this, there have been strong local co-operative unions especially among the [162] minority nationalities—the Hungarians in Transylvania, the Swabian and Saxons in the Banat and the Russian and Polish Jews in the Bucovina.

243 The credit societies revived in importance when 474 after 1933, the Rumanian Government began to 452 organise grain marketing. They became 654 the local agents of a Central Marketing Board through which all sales of grain had to be made both for home consumption and for export. Whereas formerly grain prices slumped immediately after the harvest, most peasants, being obliged to sell their grain quickly, under the new scheme prices were stabilised throughout the year, and this brought a great improvement to peasants' [651] receipts. But the scheme and the societies were also used to collect the peasants' taxes (paid in grain) which did not increase the popularity of co-operation.

241 the peasants and the reduced 1942 sowings both
656 of grain and of sugar-beet indicated continued
435 dissatisfaction. Finally, by the spring of 1943 a wiser ratio was reached, agricultural prices being four times as high as in 1939 and wholesale prices in general three and a half times as high. Nevertheless, this very considerable measure of inflation
[453] has shaken public confidence in the value of money so that peasants increasingly resort to barter transactions.

[655] In the hope of obtaining better control over grain supplies the Government in the autumn of 1941 nationalised the grain trade, later they relaxed this to the extent of leaving the export business to a few selected firms and the internal collection to the Army and to the National Institute of Co-operation. This body handled the pre-war grain marketing scheme, and their
[563] activities—because of the expulsion of Jews from wholesale and retail trade—have recently developed rapidly in the supply of seeds to peasants (80,000 tons of seed distributed in 1942) as well as consumers' goods to peasants and townspeople. But it still proved difficult to extract enough food from the peasants to feed the towns. For the 1943 harvest detailed regulations were made concerning the quantities the peasant might keep for seed, for his family and for his animals, and threshing operations were subjected to inspection. Yet these rules could not in practice be administered.

423 It is now generally agreed in Rumania that the
471 smallness of the holdings has been a principal obstacle to effective organisation of agriculture in war-time, and that a change to larger units of production is needed. Any approach to collectivisation on the Soviet model, however, would be regarded as contradictory to the land reform policy and a threat to the Rumanian State. The official policy, though it has not yet taken its final form, is to maintain private property but to proceed no further with expropriation and division of large estates, and to maintain existing medium holdings by prohibiting their sub-division for inheritance or other reasons. Schemes for the consolidation of strips are also contemplated for a more opportune moment. Further, in order to
●474 increase production and to improve the peasants' methods and standards of life, communal farming associations, known as *obști*, are to be formed. In these associations farming equipment is to be pooled so that the small-holder would have the same resources as the large farmer. Each *obște* is to embrace a village and perform all the functions of a co-operative, including joint purchase and sale, use of breeding animals, processing of crops, etc. Villages which are prepared to form themselves into *obști* and to undertake to work the land according to State directions, are promised tractors, seed and breeding stock without payment. In this way it is hoped that some of the advantages of collectivisation may be achieved while retaining those of individual ownership. But, unless accompanied by far-reaching industrial development, the plan can but aggravate rural unemployment. It is not known how this innovation has been received by the peasants. It was reported in April 1943 that 270 of these communal associations had been formed—an insignificant number—and it is believed that the Government is allocating to them some of the tractors imported from Germany in the war years.*

241 The success of the *obști* plan, and indeed of any plan for up-grading Rumanian agriculture, depends

* In June, 1943, a temporary ban was placed on the formation of any new *obști*, because there was insufficient agricultural machinery to supply to them.